

Testimony of William J. Graves
Housing Administrator
City of Columbus
Subcommittee on Housing and Community Opportunity
Field Hearing
March 24, 2006
Mt. Vernon, Ohio

My name is William J. Graves and I serve as the Housing Administrator for the city of Columbus, an entitlement community receiving Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). I have worked with CDBG and other HUD funded programs since 1981.

CDBG has a proven track record for helping local governments to address specific needs and focus on community issues as identified in the community's consolidated plan process. Of critical importance is that the CDBG Program enables communities to identify and target these federal resources to needs that are most critical to the community. The broad range of eligible activities within the CDBG Program and the flexible approach of HUD (maximum feasible deference) in allowing communities to target CDBG dollars enable recipients to use this program to maximize assistance to low and moderate-income families. As such, CDBG continues to be an essential asset to help communities fight blight, improve neighborhoods and focus on activities that benefit low-income individuals and pockets of poverty.

The Administration's current budget proposal to drastically reduce CDBG and to give bonuses to communities that "succeeded" would leave thousands of communities unable to address the basic needs of low and moderate income people. Essentially the Administration is proposing to strip \$1 billion out of the program by proposing the lowest level of funding for the CDBG program since 1990. The proposed reduction in the CDBG Program is further evidence of the Administration's reverse Robin Hood approach to budget making. The CDBG Program was already reduced by 15% over the past three years and the President's budget proposal would further cut the program by another 25 percent this year. Again, further evidence of the President's mission to reduce all funding for low income Americans. This reverse Robin Hood approach at a time when the needs of urban America is at a critical juncture requires increased funding not funding reductions. As such, I urge that anyone interested in community development as a means to assist low-income households and preserve neighborhoods to advocate for at least \$4.5 billion in formula funding for CDBG in FY07. The President's budget calls for \$2.774 billion for formula grants for cities and states in

FFY 07, reduced from \$3.711 in FFY 06. Certainly the city of Columbus as does a broad coalition of community development advocates (members of the coalition are attached to this testimony) sees these cuts as evidence that the Administration is abandoning its commitment to America's communities in the guise of reform. The coalition members also expressed concern, as mentioned above, that the 25 percent reduction in funding would pose serious threats to a community's ability to provide important services and economic recovery for low-income citizens.

For the city of Columbus the continual erosion of these extremely critical CDBG dollars is evidenced by the sharp reductions during the past several years. In 2003 the city received \$8,758,000 and in 2006 the allocation was only \$6,638,811 a reduction of 24% during this period. Another interesting point is that the administrative oversight requirements for the CDBG and other HUD funded programs continue to go up while the funding goes down. Such a situation not only creates frustration for grantees but also erodes the ability of recipients to undertake projects as more and more time is spent handling administrative and reporting requirements while funding for projects to benefit low-income households is reduced.

The city of Columbus targets its CDBG resources in order to focus investment and create impact. Certainly, given the small amount of CDBG dollars received this is the best method for an entitlement recipient such as Columbus. Typically, the city selects 6 Neighborhood Pride areas each year and these locations serve as the target zones for housing rehabilitation and other activities that benefit low-income households. The city has also selected 11 Neighborhood Commercial Revitalization (NCR) districts to focus CDBG economic development activities. In addition, a CDBG service area is determined based on demographics and housing standards which is then used to focus code enforcement and other initiatives to improve the quality of life of residents. Outcomes for a portion of the housing related activities benefiting low-income households using CDBG dollars are as follows:

- In 2003 131 low income households received housing rehabilitation assistance providing decent safe and sanitary housing; 143 low-income elderly households received minor home repair assistance preserving housing quality and enabling the homeowner to remain in their home; 28 disabled individuals were provided with accessibility modifications to enable them to live independently; and 583 low income homeowners received emergency repair assistance to correct unsafe and

substandard conditions protecting the health and safety of the household.

- In 2004 78 low income households received housing rehabilitation assistance providing decent safe and sanitary housing; 172 low-income elderly households received minor home repair assistance preserving housing quality and enabling the homeowners to remain in their home; 12 disabled individuals were provided with accessibility modifications to enable them to live independently; and 553 low income homeowners received emergency repair assistance to correct unsafe and substandard conditions protecting the health and safety of the household.
- In 2005 55 low income households received housing rehabilitation assistance providing decent safe and sanitary housing; 247 low-income elderly households received minor home repair assistance preserving housing quality and enabling the homeowner to remain in their home; 22 disabled individuals were provided with accessibility modifications to enable them to live independently and 53 deaf individuals received modification assistance; and 583 low income homeowners received emergency repair assistance to correct unsafe and substandard conditions protecting the health and safety of the household.

As demonstrated above the reduction in funding is impacting the city's ability to provide housing rehabilitation assistance. There are continually more and more households denied assistance due to a lack of CDBG dollars. Such a situation is extremely frustrating and creates a tenuous situation as housing stock deteriorates and low-income households must make dire choices on where to spend limited resources i.e., - fix the house, pay medical bills, pay utility bills or eat.

The city of Columbus urges Congress to not reduce this much-needed program and strongly requests that funding for Federal Fiscal Year 2007 for CDBG should be \$4.5 billion.

Thank you for the opportunity to participate in this hearing.

Attachment

Members of the CDBG coalition and contacts include:

- Council of State Community and Economic Development Agencies, Marcia Sigal, 202-293-5820
- Enterprise, Sandi Baer, 410-772-5285
- Housing Assistance Council, Joe Belden, 202-347-3441
- International Economic Development Council, Jeffrey Finkle, 202-223-7800
- Local Initiatives Support Corporation, Barbara Burnham, 202-739-0896
- National Association for County Community and Economic Development, John Murphy, 202-367-1149
- National Association of Counties, Tom Goodman, 202-942-4222
- National Association of Development Organizations, Matt Chase, 202-624-7806
- National Association of Housing and Redevelopment Officials, Mary Barron, 202-289-3500 ext. 280
- National Association of Local Housing Finance Agencies, John Murphy, 202-367-1197
- National Community Development Association, Chandra Western, 202-887-5521
- National Conference of Black Mayors, Colin Wellenkamp, 202-383-9110
- National League of Cities, Sherry Conway Appel, 202-626-3003
- National Low Income Housing Coalition, Amrit Dhillon, 202-662-1530, ext. 222
- The United States Conference of Mayors, Elena Temple, 202-861-6719